Bo Charity Foundation Limited

(Limited by Guarantee)

小寶慈善基金有限公司

Financial Statements

Year ended 31 March 2025

Directors' Report

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 March 2025.

Principal place of business

Bo Charity Foundation Limited ("the Foundation") is a foundation incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 2A, Fung Sing Building, 235 Hai Tan Street, Sham Shui Po, Kowloon.

Principal activity

The Foundation is a charitable organisation limited by guarantee. The principal activity of the Foundation is to help fight against hunger & food waste.

Business Review

Business Objectives

Since registered in 2009 as a charitable foundation, the Foundation has been dedicated to conserving the environment and caring for the underprivileged community in Hong Kong.

The Foundation is dedicated to its mission of reducing food waste and alleviating hunger and poverty. We achieve this through an integrated programme that rescues surplus food, prepares it in our central kitchens, and distributes it as nutritious meals to underprivileged communities. Furthermore, we drive change through public education and volunteer services, fostering widespread community participation in this meaningful cause.

Our Work in the year ended 31 March 2025

1. Food Rescue & Food Assistance

The mission of the Foundation is "Waste Not, Hunger Not, With Love." We collect edible surplus food from various sectors of the food industry that would otherwise be wasted and transform it into nutritious meals for people in need. We maintain strict safety protocols throughout our entire operation, from meal preparation in our central kitchens to delivery, ensuring that underprivileged and financially vulnerable individuals receive free meals.

In the current financial year, we rescued 1,620,000 kg of edible surplus food from over 260 food outlets daily across Hong Kong. This enabled us to produce over 4.75 million nutritious meals and distribute 1.31 million meals and food packs to those in need.

We rescue surplus food through two primary channels: corporate partnerships and community donations.

Business Review (continued)

Corporate & Wholesale Food Rescue: We maintain close partnerships with a wide network of corporate donors, including major supermarket chains, wholesalers, restaurants, and hotels. Our dedicated logistics team conducts regular collections of donated fresh and dry food from their retail outlets and delivers it to our central facility for processing and sorting.

Community Food Rescue: We engage individuals through our public donation programmes. A network of 79 collection boxes and 64 smart donation machines, known as "Food Smart Buddies," are strategically located across the city in shopping malls, housing estates, and commercial buildings. This provides the public with a convenient way to donate surplus household food and contribute to our mission.

2. *Food Assistance*

During the reporting period, we supported over 47,000 service users by providing over 4,430,000 meals from our central kitchens. The prepared meals were further broken down into over 1,520,000 hot meals, 2,320,000 cook-chill meals, and 597,000 food packs. We also help distributed over 1,310,000 food packs made from rescued food.

We provide food assistance through three primary channels:

1. Direct Services

- **Community Centre Meal Service:** We offer hot meals for the elderly and distribute food assistance packages to families in need at our community centre.
- **Outreach Meal Service:** We deliver meals directly to homebound elderly individuals with mobility challenges.
- **Rice Boy Station:** This programme provides essential food supplies to underprivileged families.

2. Partner Network

We collaborate with 260 NGO partners to extend our reach, distributing hot and cook-chill meals to underprivileged communities across Hong Kong.

3. Automated Food Dispensing (AFD) Machines

Our network of 75 AFD machines provides 24/7, self-service access to cook-chill meals, ensuring convenient and reliable food assistance support to our service users.

3. *Education*

We run a variety of year-round educational programmes to promote the values of reducing food waste and strengthening community care. Our Education Team has developed a suite of engaging materials, including videos, presentations, virtual reality experiences, and workshops, to raise awareness about food waste, hunger, poverty, and elderly care.

During the reporting period, the team conducted over 300 experience tours and online classes for over 11,000 participants. We also delivered talks and activities at 200 schools, reaching more than 20,000 students.

Business Review (continued)

Key Development:

Food Angel Jockey Club Food Production Centre

With the generous support of the Hong Kong SAR Government and The Hong Kong Jockey Club Charities Trust, we have established a new three-story Food Production Centre in Shatin. This 75,000 square-feet facility consolidates our food rescue and food assistance operations, which were previously spread across four geographically dispersed units. This centralisation of resources significantly enhances our operational efficiency.

The new Centre allows us to optimise workflows and expand our production capacity. Once fully operational in phases, it will enable Food Angel to produce more than 50,000 food items daily, greatly increasing our ability to serve Hong Kong's needy community.

Operations are scheduled to commence in July 2025.

Financial Performance for the year ended 31 March 2025

Total income amounted to HK$108,519,728, representing a decrease of 17% from the previous financial year. This was mainly driven by the decrease in designated donations from donors who pledged their support to the needy.

Total programme expense was HK$102,232,557, which was 10% lower than the previous financial year. This was primarily driven by drop in funding support and operations of relevant programmes. Total Administrative expense represented around 5% of our Total Expenditure for the financial year.

Reserve and Surplus Funds

The Foundation is aware of the critical need to maintain adequate reserves in the face of economic uncertainty in our society and the need to ensure uninterrupted food assistance services to the underprivileged community in Hong Kong. In addition, the Foundation has in place a contingency reserve targeted to maintain this service continuity with a development fund to support new social service projects and activities to meet the evolving needs of the underserved and underprivileged.

Potential Risks

In a fast-changing and often-times challenging financial climate that we have faced in recent years, we realised that a steady inflow of donation is critical to our operation in order to maintain the lowest possible interruption to our service and the people we serve.

Currently, with the continued support of funders, foundations and the wider community, we have been able to maintain a stable income to fund our services. Nonetheless, we are always on alert to any risks to donors' support as a result of a volatile economic environment. It is thus crucial to maintain adequate reserves for operational purposes and to sustain our long-term commitment.

Upcoming Key Developments

Food Angel not only provides assistance to meet the growing demand of the community for free and safe food for the underprivileged, but is itself a solution to the problem of a mounting volume of edible surplus food that would otherwise go wasted if not sold or consumed at store. We shall continue to look for opportunities to streamline our operation and enhance our capability to meet such needs.

Responsibility and Accountability

The Foundation's Board of Directors ("the Board"), comprising chiefs in the finance, legal and public affairs sectors, is in place and responsible for formulating and revising visions and missions of the Foundation from time to time. The Board also oversees strategic directions, financial performance, management of capital and risks of the Foundation and approves key initiatives proposed by the Directors.

Our Board members are leaders and subject matter experts who bring in new expertise and propel the healthy growth of the Foundation.

The Foundation complies with section 88 of the Inland Revenue Ordinance on Charitable Institution.

Directors

The directors during the financial year and up to the date of this report were:

Kam Chung Leung
Alice Oi Lai Tung
Rex Pak-Kuen AuYeung
Ming Git Cheng
Kitty Kit Hing Ip
Joseph Luc Ngai
Douglas Cheung Tak So
Kenny Oi Kan Yiu
Vanessa Tih Lin Cheung

In accordance with articles 37 & 38 of the Foundation's articles of association, all present directors shall retire from the board every two years and, being eligible, offer themselves, for re-election.

At no time during the year was the Foundation a party to any arrangement to enable the directors of the Foundation to acquire benefits by means of the acquisition of shares in or debenture of the Foundation or any other body corporate.

Directors' interests in transactions, arrangements or contracts

Save as disclosed in note 18 to the financial statements, no other transaction, arrangement or contract of significance to which the Foundation was a party, and in which a director of the Foundation had a material interest, subsisted at the end of the year or at any time during the year.

Auditors

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Foundation is to be proposed at the forthcoming Annual General Meeting.

By order of the board

Kam Chung LEUNG

Hong Kong,

05 JAN 2026

KPMG

Independent auditor's report to the members of Bo Charity Foundation Limited

(Incorporated in Hong Kong and limited by guarantee)

Opinion

We have audited the financial statements of Bo Charity Foundation Limited ("the Foundation") set out on pages 9 to 36, which comprise the statement of financial position as at 31 March 2025, the statement of profit or loss and other comprehensive income, the statement of changes in reserves and the cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Foundation as at 31 March 2025 and of its financial performance and its cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Foundation in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

KPMG

Independent auditor's report to the members of Bo Charity Foundation Limited (continued)

(Incorporated in Hong Kong and limited by guarantee)

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

KPMG

Independent auditor's report to the members of Bo Charity Foundation Limited (continued)

(Incorporated in Hong Kong and limited by guarantee)

Auditor's responsibilities for the audit of the financial statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is Chen Xin (practicing certificate number: P08295).

kpmg

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

05 JAN 2026

Statement of profit or loss and other comprehensive income for the year ended 31 March 2025

(Expressed in Hong Kong dollars)

	Note	*2025*	*2024*
Income			
General donation	2	$ 46,343,023	$ 47,374,127
Designated donation	2	55,630,494	75,936,591
Green education	3	1,189,832	1,216,080
Other income	3	5,356,379	5,544,754
		$ 108,519,728	$ 130,071,552
Expenditure			
Program expenses	4(a)	$ 102,232,557	$ 113,598,518
Donation campaign expenses		1,536,079	1,316,829
Administrative expenses		5,077,305	4,991,335
Finance costs	4(b)	258,669	199,308
		$ 109,104,610	$ 120,105,990
(Deficit)/surplus and total comprehensive income for the year	4	$ (584,882)	$ 9,965,562

The notes on pages 14 to 36 form part of these financial statements.

Statement of financial position at 31 March 2025

(Expressed in Hong Kong dollars)

	Note	2025	2024
Non-current assets			
Property, plant and equipment	7	$ 358,473,080	$ 84,938,575
Current assets			
Other receivables, prepayments and deposits	8	$ 24,380,895	$ 22,405,353
Cash and cash equivalents	9	160,705,386	155,760,469
		$ 185,086,281	$ 178,165,822
Current liabilities			
Creditors and accruals	10	$ 22,856,277	$ 10,880,264
Unearned income	11	74,534,310	62,830,253
Lease liabilities	12	3,275,685	3,850,823
		$ 100,666,272	$ 77,561,340
Net current assets		$ 84,420,009	$ 100,604,482
Total assets less current liabilities		$ 442,893,089	$ 185,543,057
Non-current liabilities			
Unearned income	11	$ 254,639,593	$ -
Lease liabilities	12	4,491,435	1,196,114
		$ 259,131,028	$ 1,196,114
NET ASSETS		$ 183,762,061	$ 184,346,943

The notes on pages 14 to 36 form part of these financial statements.

Statement of financial position at 31 March 2025

(Expressed in Hong Kong dollars)

	Note	*2025*	*2024*
Reserves	13		
Contingency reserve		$ 59,000,000	$ 59,000,000
Development reserve		87,000,000	87,000,000
General fund		37,762,061	38,346,943
		$ 183,762,061	$ 184,346,943

Approved and authorised for issue by the board of directors on 05 JAN 2026

Alice Oi Lai Tung	Kenny Oi Kan Yiu	)	Directors

The notes on pages 14 to 36 form part of these financial statements.

Statement of changes in reserves for the year ended 31 March 2025

(Expressed in Hong Kong dollars)

	Contingency reserve (note 13(b)(i))	*Development reserve* (note 13(b)(ii))	*General fund* (note 13(b)(iii))	*Total*
Balance at 31 March 2023	$ 58,000,000	$ 82,000,000	$ 34,381,381	$ 174,381,381
Transfer to contingency reserve	1,000,000	-	(1,000,000)	-
Transfer to development reserve	-	5,000,000	(5,000,000)	-
Surplus and total comprehensive income for the year	-	-	9,965,562	9,965,562
Balance at 31 March 2024 and 1 April 2024	$ 59,000,000	$ 87,000,000	$ 38,346,943	$ 184,346,943
Deficit and total comprehensive income for the year	-	-	(584,882)	(584,882)
Balance at 31 March 2025	$ 59,000,000	$ 87,000,000	$ 37,762,061	$ 183,762,061

The notes on pages 14 to 36 form part of these financial statements.

Cash flow statement for the year ended 31 March 2025

(Expressed in Hong Kong dollars)

	Note	2025	2024
Operating activities			
Cash generated from operations	9(b)	$ 263,589,984	$ 47,470,146
Net cash generated from operating activities		$ 263,589,984	$ 47,470,146
Investing activities			
Bank interest received		$ 4,785,326	$ 5,113,923
Payment for the purchase of property, plant and equipment		(257,999,087)	(63,842,288)
Net cash used in investing activities		$ (253,213,761)	$ (58,728,365)
Financing activities			
Capital element of lease rentals paid	9(c)	$ (5,172,637)	$ (5,602,733)
Interest element of lease rentals paid	9(c)	(258,669)	(199,308)
Net cash used in financing activities		$ (5,431,306)	$ (5,802,041)
Net increase/(decrease) in cash and cash equivalents		$ 4,944,917	$ (17,060,260)
Cash and cash equivalents at the beginning of the year		155,760,469	172,820,729
Cash and cash equivalents at the end of the year	9(a)	$ 160,705,386	$ 155,760,469

The notes on pages 14 to 36 form part of these financial statements.

Notes to the financial statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies

(a) *Statement of compliance*

These financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong Companies Ordinance. Material accounting policies adopted by the Foundation is set out below.

The HKICPA has issued certain amendments to HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Foundation. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Foundation for the current and prior accounting periods reflected in these financial statements.

(b) *Basis of preparation of the financial statements*

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) *Changes in accounting policies*

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period of the Foundation.

1 Material accounting policies (continued)

None of the developments have had a material effect on how the Foundation's results and financial position for the current or prior periods have been prepared or presented. The Foundation has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) Property, plant and equipment

Property, plant and equipment, including right-of-use assets arising from leases of underlying property, plant and equipment (see note 1(e)), are stated at cost less accumulated depreciation and impairment losses.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their residual value, if any, using the straight-line method over their estimated useful lives as follows:

- Properties leased for own use	Over the lease term
- Leasehold improvement	Over the lease term or 5 years
- Fixtures and kitchen equipment	3 to 4 years
- Office equipment	3 to 4 years
- Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

The carrying amounts of property, plant and equipment are reviewed for indications of impairment at the end of each reporting period. An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. The recoverable amount of an asset, or of the cash-generating unit to which it belongs, is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Items may be produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. The proceeds from selling any such items and the related costs are recognised in profit or loss.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

1 Material accounting policies (continued)

(e) Leased assets

At inception of a contract, the Foundation assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a lessee

At the lease commencement date, the Foundation recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Foundation, are primarily automatic food dispensers. When the Foundation enters into a lease in respect of a low-value asset, the Foundation decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Foundation's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Foundation will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the statement of financial position, the current portion of long-term lease liabilities is determined as the principal portion of contractual payments that are due to be settled within twelve months after the reporting period.

1 Material accounting policies (continued)

(f) Receivables

A receivable is recognised when the Foundation has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Foundation has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses as determined below:

The loss allowance is measured at an amount equal to lifetime expected credit losses ("ECLs"), which are those losses that are expected to occur over the expected life of the trade receivables. The loss allowance is estimated using a provision matrix based on the Foundation's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

ECLs are remeasured at each reporting date with any changes recognised as an impairment gain or loss in profit or loss. The Foundation recognises an impairment gain or loss with a corresponding adjustment to the carrying amount of trade and other receivables through a loss allowance account.

The gross carrying amount of a trade debtor or other receivable is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Foundation determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

(g) Creditors and accruals

Creditors and accruals are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, property pre-sale proceeds held by solicitor that are held for meeting short-term cash commitments, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(i) Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

1 Material accounting policies (continued)

(j) Provisions and contingent liabilities

Provisions are recognised when the Foundation has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(k) Revenue and other income

Income is classified by the Foundation as revenue when it arises from the receipt of donation in the ordinary course of the Foundation's business.

Further details of the Foundation's revenue and other income recognition policies are as follows:

(i) General donation and Green education

General donation and Green education income ("Green education") are recognised when the Foundation becomes entitled to the donations, which is generally upon receipt of cash. Green education are a range of educational programmes, which aim to arouse the public awareness of cherishing food and caring for the community.

(ii) Designated donation

Designated donation is deferred in the statement of financial position initially when the Foundation assessed that they will be received and that the Foundation will comply with the conditions attached to them. Designated donation is recognised as income in profit or loss on a systematic basis, upon fulfilment of the conditions (if any), in the same periods in which the expenses are incurred.

(iii) Interest income

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

(l) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

1 Material accounting policies (continued)

(m) Related parties

(1) A person, or a close member of that person's family, is related to the Foundation if that person:

- (i) has control or joint control over the Foundation;
- (ii) has significant influence over the Foundation; or
- (iii) is a member of the key management personnel of the Foundation or the Foundation's parent.

(2) An entity is related to the Foundation if any of the following conditions applies:

- (i) The entity and the Foundation are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Foundation or an entity related to the Foundation.
- (vi) The entity is controlled or jointly controlled by a person identified in (1).
- (vii) A person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the group or to the group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(n) Government subsidies

Government subsidies are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Foundation will comply with the conditions attaching to them. Subsidies that compensate the Foundation for expenses incurred are recognised as deduction of expenses in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

2 Donation

	2025	2024
General donation from:		
- Public	$ 33,608,894	$ 29,020,113
- Donation campaign	9,068,325	15,764,069
- Programs	3,665,804	2,589,945
	$ 46,343,023	$ 47,374,127

Note: Included in the above donations, the below represents the fund-raising activities with the Public Subscription Permits issued by the Social Welfare Department.

Public subscription Permit No.	*Gross income raised*	*Gross expenditure incurred*	*Net Proceeds*	*Usage of the Net Proceeds*
For the year ended 31 March 2025				
2024/120/1	$ 14,049	$ -	$ 14,049	To raise funds for supporting food rescue and food assistance work of Food Angel
For the year ended 31 March 2024				
2023/101/1	$ 1,622	$ -	$ 1,622	To raise funds for supporting food rescue and food assistance work of Food Angel

Designated donation of $55,630,494 (2024: $75,936,591) includes funders' donations with specific services and programmes objectives/deliverables.

3 Green education and Other income

Other income

	2025	2024
Interest income	$ 4,785,326	$ 5,113,923
Sundry income	571,053	430,831
	5,356,379	5,544,754

Green education of $1,189,832 (2024: $1,216,080) represents activity income from education programme.

4 (Deficit)/surplus and total comprehensive income for the year

(Deficit)/surplus and total comprehensive income for the year is arrived at after charging/(crediting):

	2025	2024
(a) Program expenses#		
Food Angel Food Rescue & Assistance Program	$ 88,205,878	$102,924,569
Food Angel Community Service	9,664,854	7,863,702
Corporate Angel CSR Program	2,349,800	829,411
Green Angel Education Program and Experience Centre	2,012,025	1,980,836
	$102,232,557	$113,598,518
(b) Finance costs		
Interest on lease liabilities (note 9(c))	$ 258,669	$ 199,308
(c) Staff costs		
Contributions to defined contribution retirement plan	$ 2,131,397	$ 2,100,487
Salaries, wages and other benefits	49,035,368	46,562,976
	$ 51,166,765	$ 48,663,463

	2025	2024
(d) Other items		
Auditor's remuneration	$ -	$ -
Depreciation charge (note 7)		
- owned plant and equipment	2,681,699	2,955,280
- right-of-use assets	4,890,203	5,435,549
	$ 7,571,902	$ 8,390,829
Logistics expenses	$ 15,057,386	$ 17,066,968
Expense relating to short-term leases	2,259,890	3,328,693
Interest income	(4,785,326)	(5,113,923)

Program expenses include $71,743,220 (2024: $64,933,308) relating to staff costs, depreciation, logistic expenses and operating lease charges, which amount is also included in the respective total amounts disclosed separately in notes 4(c) and 4(d) for each of these types of expenses.

5 Taxation

No provision for Hong Kong Profits Tax has been made in the financial statements as the Foundation is an approved charitable institution and is exempted from taxation under section 88 of the Hong Kong Inland Revenue Ordinance.

6 Directors' emoluments

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	2025	*2024*
Directors' fees	$ Nil	$ Nil
Salaries, allowances and benefits in kind	Nil	Nil
Discretionary bonuses	Nil	Nil
Retirement scheme contributions	Nil	Nil

7 Property, plant and equipment

	Leasehold improvement	*Fixtures and kitchen equipment*	*Office equipment*	*Motor vehicles*	*Properties leased for own use*	*Capital project in progress*	*Total*
Cost:							
At 1 April 2023	$ 17,346,854	$ 13,079,932	$ 535,345	$ 3,937,491	$ 25,028,812	$ 6,909,042	$ 66,837,476
Additions	-	1,819,747	57,481	649,075	3,237,719	67,691,985	73,456,007
Disposals	-	(318,351)	(19,967)	-	-	-	(338,318)
At 31 March 2024 and 1 April 2024	$ 17,346,854	$ 14,581,328	$ 572,859	$ 4,586,566	$ 28,266,531	$ 74,601,027	$ 139,955,165
Additions	-	1,597,189	36,800	-	7,892,820	271,579,598	281,106,407
Disposals	-	(4,481,448)	(165,223)	(245,437)	-	-	(4,892,108)
At 31 March 2025	$ 17,346,854	$ 11,697,069	$ 444,436	$ 4,341,129	$ 36,159,351	$ 346,180,625	$ 416,169,464
Accumulated depreciation:							
At 1 April 2023	$ 15,973,052	$ 10,399,538	$ 417,645	$ 2,166,022	$ 18,007,822	$ -	$ 46,964,079
Charge for the year	788,366	1,437,572	65,250	664,092	5,435,549	-	8,390,829
Written back on disposals	-	(318,351)	(19,967)	-	-	-	(338,318)
At 31 March and 1 April 2024	$ 16,761,418	$ 11,518,759	$ 462,928	$ 2,830,114	$ 23,443,371	$ -	$ 55,016,590
Charge for the year	245,972	1,750,222	64,638	620,867	4,890,203	-	7,571,902
Written back on disposals	-	(4,481,448)	(165,223)	(245,437)	-	-	(4,892,108)
At 31 March 2025	$ 17,007,390	$ 8,787,533	$ 362,343	$ 3,205,544	$ 28,333,574	$ -	$ 57,696,384
Net book value:							
At 31 March 2025	$ 339,464	$ 2,909,536	$ 82,093	$ 1,135,585	$ 7,825,777	$ 346,180,625	$ 358,473,080
At 31 March 2024	$ 585,436	$ 3,062,569	$ 109,931	$ 1,756,452	$ 4,823,160	$ 74,601,027	$ 84,938,575

7 Property, plant and equipment (continued)

(a) *Right-of-use assets*

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	2025	*2024*
Properties leased for own use, carried at depreciated cost	$ 7,825,777	$ 4,823,160

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2025	*2024*
Depreciation charge of properties leased for own use	$ 4,890,203	$ 5,435,549
Interest on lease liabilities (note 4(b))	258,669	199,308
Expense relating to short-term leases	2,259,890	3,328,693

During the year, additions to right-of-use assets were $7,892,820 (2024: $3,237,719). This amount primarily related to the capitalised lease payments payable under both new and renewed tenancy agreements.

Details of cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 9(d) and 12 respectively.

8 Other receivables, prepayments and deposits

All of the other receivables, prepayment and deposits, except for deposits of $ 2,269,234 (2024: $1,573,035), are expected to be recovered or recognised as expense within one year.

9 Cash and cash equivalents

(a) *Deposits maturing within three months when placed and cash and cash equivalents comprise:*

	2025	2024
Cash at banks and on hand	$ 18,594,786	$ 30,050,028
Deposits with banks and other financial institutions maturity within three months when placed	142,110,600	125,710,441
Cash and cash equivalents in the statement of financial position and the cash flow statement	$160,705,386	$155,760,469

(b) *Reconciliation of (deficit)/surplus for the year to cash generated from operations:*

	Note	2025	2024
(Deficit)/surplus for the year		$ (584,882)	$ 9,965,562
Adjustments for:			
Depreciation	4(d)	7,571,902	8,390,829
Bank interest income	4(d)	(4,785,326)	(5,113,923)
Finance costs	4(b)	258,669	199,308
Changes in working capital:			
(Increase)/decrease in other receivables, prepayments and deposits		(1,975,542)	12,539,879
(Decrease)/increase in creditors and accruals		(3,238,487)	501,384
Increase in unearned income		266,343,650	20,987,107
Cash generated from operations		$263,589,984	$ 47,470,146

9 Cash and cash equivalents (continued)

(c) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Foundation's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the cash flow statement as cash flows from financing activities.

	Lease liabilities (Note 12)
At 1 April 2023	$ 7,411,951
Changes from financing cash flows:	
Capital element of lease rentals paid	$ (5,602,733)
Interest element of lease rentals paid	(199,308)
Total changes from financing cash flows	$ (5,802,041)
Other changes:	
Increase in lease liabilities from entering into new leases during the year	$ 3,237,719
Interest expenses (note 4(b))	199,308
Total other changes	$ 3,437,027
At 31 March 2024 and 1 April 2024	$ 5,046,937
Changes from financing cash flows:	
Capital element of lease rentals paid	$ (5,172,637)
Interest element of lease rentals paid	(258,669)
Total changes from financing cash flows	$ (5,431,306)
Other changes:	
Increase in lease liabilities from entering into new leases during the year	$ 7,892,820
Interest expenses (note 4(b))	258,669
Total other changes	$ 8,151,489
At 31 March 2025	$ 7,767,120

9 Deposits maturing beyond three months when placed and cash and cash equivalents (continued)

(d) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

	2025	*2024*
Within financing cash flows	$ 5,431,306	$ 5,802,041
Within operating cash flows	2,259,890	3,328,693
	$ 7,691,196	$ 9,130,734

10 Creditors and accruals

All of the creditors and accruals are expected to be settled within one year or are repayable on demand.

11 Unearned income

	Hong Kong Jockey Club - Food Angel Food Rescue & Assistance Program (Kowloon Kitchen)	The Community Chest of Hong Kong Food Angel Food Rescue and Assistance & Green Angel Education	Food Angel Community Center Sponsorship	Bank of China HK Charitable Foundation - Food Rescue Program (Food Station) & Food Sharing (Mobile Trucks) Program	LINK Asset Management Ltd (Charity and Community Engagement Programme) - Food Rescue Program	Chow Tai Fook Jewellery Community Outreach Programme	Environment and Conservation Fund Committee - WRP886	HSBC (The Hong Kong Bank Foundation) - Integrated Food Assistance & Community Care Program	Chow Tai Fook – Jewellery Community Outreach Program	Li Ka Shing Foundation
Balance at 1 April 2023	$ 2,625	$ -	$ 1,293,604	$ 3,408,580	$ -	$ 876,668	$ -	$ 2,355,877	$ 535,473	$ 10,000,000
Designated donation received during the year	-	3,279,000	-	-	3,391,200	-	1,435,978	5,314,351	1,343,193	-
Recognised as designated donation income during the year	(2,625)	(3,279,000)	(744,725)	(1,456,382)	(3,675,666)	(876,668)	(1,410,458)	(7,670,228)	(490,419)	-
Donation transferred to general donation during the year	-	-	-	-	-	-	-	-	-	-
Reclassed to/(from) donation receivables	-	-	-	-	284,466	-	-	-	-	-
Balance at 31 March 2024 and 1 April 2024	$ -	$ -	$ 548,879	$ 1,952,198	$ -	$ -	$ 25,520	$ -	$ 1,388,247	$ 10,000,000
Designated donation received during the year	-	3,279,000	-	-	1,730,400	-	897,486	-	-	-
Recognised as designated donation income during the year	-	(3,279,000)	(548,879)	(1,720,051)	(1,253,357)	-	(2,042,966)	-	(1,388,247)	-
Donation transferred to general donation during the year	-	-	-	-	-	-	-	-	-	-
Reclassed to/(from) donation receivables	-	-	-	-	(477,043)	-	1,119,960	-	-	-
Balance at 31 March 2025	$ -	$ -	$ -	$ 232,147	$ -	$ -	$ -	$ -	$ -	$ 10,000,000

11 Unearned income (continued)

	Environmental Campaign Committee - Food Angel, Food Rescue and Sharing Action	*Hong Kong Jockey Club – Community Project Grant*	*Environmental Campaign Committee - Food Angel Food Rescue and Sharing Action*	*KG Services Ltd - Food Angel Self-Service Food Hub*	*Environmental Campaign Committee - Food Angel Food Rescue and Sharing Action*	*Hong Kong Jockey Club - Pandemic Recovery Through Food Assistance Vending Machine Program*	*SF(MNT) Fund - Food Bags Program*	*Bank of China - Food Station & Remote Areas Outreach*	*Ronald & Rita McAulay Foundation – Expansion of Rescued Food Storage Space Program*	*Environmental Campaign Committee - Food Angel Food Rescue and Sharing Action*
Balance at 1 April 2023	$ -	$ -	$ 826,832	$ -	$ -	$ -	$ 23,445	$ -	$ 1,851,205	$ -
Designated donation received during the year	1,004,179	3,158,000	1,759,598	1,029,500	778,631	29,677,211	-	4,792,920	865,330	1,046,731
Recognised as designated donation income during the year	-	(3,158,000)	(4,914,040)	(571,526)	-	(9,051,331)	(21,240)	(2,452,291)	(2,213,104)	(164,462)
Donation transferred to general donation during the year	-	-	-	-	-	-	-	-	-	-
Reclassed to/(from) donation receivables	(1,004,179)	-	2,327,610	-	(778,631)	(20,625,880)	-	-	-	(882,269)
Balance at 31 March 2024 and 1 April 2024	$ -	$ -	$ -	$ 457,974	$ -	$ -	$ 2,205	$ 2,340,629	$ 503,431	$ -
Designated donation received during the year	-	3,158,000	2,838,759	1,029,500	-	6,704,170	-	-	761,600	-
Recognised as designated donation income during the year	-	(3,158,000)	(1,684,287)	(2,222,816)	-	(1,892,092)	(2,205)	(2,340,629)	(1,265,031)	-
Donation transferred to general donation during the year	-	-	-	-	-	-	-	-	-	-
Reclassed to/(from) donation receivables	-	-	(1,154,472)	735,342	-	(4,812,078)	-	-	-	-
Balance at 31 March 2025	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

11 Unearned income (continued)

	HSBC (The Hong Kong Bank Foundation) - First Food Rescue Smart System	Hong Kong Jockey Club – Jockey Club Electronic Food Bank	Environmental Campaign Committee - Food Angel City Food Rescue Programme	HKEX Foundation – HKEX060 Self-serve Food Hub	Environmental Campaign Committee Food Angel Food Rescue and Education Workshop	LINK Asset Management Ltd – Operation of Rice Boy Station	Hong Kong Jockey Club – Expansion and One-year extension of Jockey Club Food Assistance Program	SF(MNT) Fund - Vegetarian Meals and Soup Program	SF (MNT) Fund – Veggie Program	Funding Scheme to Support the Use of Vacant Government Sites by Non-government Organisation
Balance at 1 April 2023	$ 4,197,530	$ 1,268,563	$ -	$ -	$ -	$ -	$ 7,974,645	$ 300,015	$ 858,579	$ 608,000
Designated donation received during the year	2,500,000	1,005,220	191,920	64,751	457,334	503,330	2,252,141	3,474,000	3,150,000	35,034,652
Recognised as designated donation income during the year	(4,224,951)	(7,811,588)	-	10,543	-	(487,159)	(13,252,987)	(3,360,872)	(1,428,798)	-
Donation transferred to general donation during the year	-	-	-	-	-	-	-	(413,143)	(2,579,781)	-
Reclassed to/(from) donation receivables	-	5,537,805	(191,920)	(75,294)	(457,334)	(16,141)	3,026,201	-	-	-
Balance at 31 March 2024 and 1 April 2024	$ 2,472,579	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 35,642,652
Designated donation received during the year	-	5,297,648	-	-	-	100,400	7,831,396	-	-	20,911,450
Recognised as designated donation income during the year	(2,148,882)	(2,331,953)	-	-	-	-	(14,629,737)	-	-	-
Donation transferred to general donation during the year	-	-	-	-	-	-	-	-	-	-
Reclassed to/(from) donation receivables	-	(2,965,695)	-	-	-	(100,400)	6,798,341	-	-	-
Balance at 31 March 2025	$ 323,697	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 56,554,102

11 Unearned income (continued)

	Hong Kong Jockey Club – Shatin Production Facilities & Food Assistance and Education Program	*HSBC (The Hong Kong Bank Foundation) – Upscaling and Food Assistance for the Underprivileged*	*Aveline Holdings Ltd – Rice Boy Station*	*SF(MNT) Fund - Veggie Program 2024*	*SF(MNT) Fund - Vegetarian Meals and Soup Program 2024*	*Environment and Conservation Fund Saving and Delivering Food With Love Project - WRP1049*	*Fidelity Asia Pacific Foundation*	*LINK Asset Management Ltd - LINK Together Initiatives*	*Lee Hysan (Supply Chain Management system)*	*SF(MNT) Fund - Veggie Program 2025*
Balance at 1 April 2023	$ 2,496,655	$ 2,964,850	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Designated donation received during the year	2,305,910	-	625,850	1,050,000	1,158,000	-	-	-	-	-
Recognised as designated donation income during the year	-	(1,494,345)	-	(452,981)	(1,281,288)	-	-	-	-	-
Donation transferred to general donation during the year	-	-	-	-	-	-	-	-	-	-
Reclassed to/(from) donation receivables	-	-	-	-	123,288	-	-	-	-	-
Balance at 31 March 2024 and 1 April 2024	$ 4,802,565	$ 1,470,505	$ 625,850	$ 597,019	$ -	$ -	$ -	$ -	$ -	$ -
Designated donation received during the year	210,610,908	45,000,000	312,925	3,150,000	3,474,000	290,040	-	1,527,750	1,440,000	1,050,000
Recognised as designated donation income during the year	-	(1,903,173)	(1,251,700)	(1,539,634)	(3,350,712)	(1,256,343)	(449,045)	(1,966,345)	(14,677)	(468,420)
Donation transferred to general donation during the year	-	-	-	(2,207,385)	-	-	-	-	-	-
Reclassed to/(from) donation receivables	-	-	312,925	-	(123,288)	966,303	449,045	438,595	-	-
Balance at 31 March 2025	$ 215,413,473	$ 44,567,332	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,425,323	$ 581,580

11 Unearned income (continued)

	SF(MNT) Fund - Vegetarian Meals and Soup Program 2025	Bank of China (Food Station, Remote Area & Riley House)	Total
Balance at 1 April 2023	$ -	$ -	$ 41,843,146
Designated donation received during the year	-	-	112,648,900
Recognised as designated donation income during the year	-	-	(75,936,591)
Donation transferred to general donation during the year	-	-	(2,992,924)
Reclassed to/(from) donation receivables	-	-	(12,732,278)
Balance at 31 March 2024 and 1 April 2024	$ -	$ -	$ 62,830,253
Designated donation received during the year	1,202,070	-	322,597,502
Recognised as designated donation income during the year	(1,125,821)	(396,492)	(55,630,494)
Donation transferred to general donation during the year	-	-	(2,207,385)
Reclassed to/(from) donation receivables	-	396,492	1,584,027
Balance at 31 March 2025	$ 76,249	$ -	$ 329,173,903

	2025	2024
Analysed for reporting purposes as:		
- Current	$ 74,534,310	$ 62,830,253
- Non-current	254,639,593	-
	$ 329,173,903	$ 62,830,253

Unearned income represents designated donation received from donors for individual programs. Income is recognised in profit or loss when expenses under these programs are incurred and the remaining unutilised portion will be recognised in general donation with approval from donors upon expiry of the program period.

12 Lease liabilities

The following table shows the remaining contractual maturities of the Foundation's lease liabilities at the end of the reporting periods:

	31 March 2025	*31 March 2024*
Within 1 year	$ 3,275,685	$ 3,850,823
After 1 year but within 2 years	$ 1,590,898	$ 1,089,234
After 2 years but within 5 years	2,900,537	106,880
	$ 4,491,435	$ 1,196,114
	$ 7,767,120	$ 5,046,937

13 Reserves

(a) Components of the Foundation's reserves

The reconciliation between the opening and closing balances of the Foundation's reserves is set out in the statement of changes in reserves.

(b) Nature and purpose of reserves

(i) The Foundation is aware of the critical need to maintain adequate reserves in the face of economic uncertainty in the society and the need to ensure uninterrupted food assistance services to the underprivileged community in Hong Kong.

Contingency reserve is held for providing cushion for any unexpected downturns in donations and cope with unforeseeable circumstances posed by major external changes in the environment in future years.

(ii) Development reserve is held for providing a source of funds to support the provision of new service projects, activities or developments of the Foundation's operations and capital projects to meet service needs of the underserved and underprivileged.

The Foundation is currently in progress of constructing The Jockey Club Food Production Centre. The Foundation is expected to utilize the development reserves of $41.7 million for the construction cost of the centre.

(iii) General fund is used for the general operation and administration of the Foundation.

13 Reserves (continued)

	Self supporting programs *2025*	*2024*
Income		
General donation	$ 46,343,023	$ 47,374,127
Green Education	1,189,832	1,216,080
Other income	5,356,379	5,544,754
	$ 52,889,234	$ 54,134,961
Expenditure		
Program expenses	$ 46,602,063	$ 37,661,927
Donation campaign expenses	1,536,079	1,316,829
Administrative expenses	5,077,305	4,991,335
Finance cost	258,669	199,308
	$ 53,474,116	$ 44,169,399
(Deficit)/surplus for the year	$ (584,882)	$ 9,965,562

14 Members' liability

The Foundation is not authorised to issue share capital and is limited by guarantee. Under the provision of the Foundation's memorandum and articles of association, every member shall, in the event of the Foundation being wound up, contribute such amount as may be required to meet the liabilities of the Foundation but not exceeding $100 per member.

15 Capital management

The Foundation's primary objectives when managing capital are to safeguard the Foundation's ability to continue as a going concern, support the Foundation's service stability and growth and to provide adequate funds for the purpose of achieving the Foundation's short to long-term objectives.

The Foundation defines "capital" as including the general fund, contingency reserve and development reserve maintained by the Foundation.

The Foundation's capital is regularly reviewed and managed. Adjustments are made to the capital structure in light of changes in the economic conditions affecting the Foundation, as well as the operation, funding structure and development plans of the Foundation to ensure effective use of funds and the sound financial status of the Foundation, to the extent that these do not conflict with the directors' fiduciary duties towards the Foundation or the requirements of the Hong Kong Companies Ordinance.

16 Financial risk management and fair values

Exposure to credit and liquidity risks arises in the normal course of the Foundation's operations. The Foundation's exposure to these risks and the financial risk management policies and practices used by the Foundation to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Foundation. The Foundation's credit risk is primarily attributable to other receivables. The Foundation has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The Foundation's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with a sound credit rating, for which the Foundation considers to have low credit risk.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset on the statement of financial position. The Foundation does not provide any other guarantees which would expose the Foundation to credit risk.

(b) Liquidity risk

The Foundation's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The following table shows the remaining contractual maturities at the end of the reporting period of the Foundation's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Foundation can be required to pay.

	2025 Contractual undiscounted cash outflows				
	Within 1 year or on demand	*More than 1 year but within 2 years*	*More than 2 years but within 5 years*	*Total*	*Carrying amount at 31 March*
Creditors and accruals	$ 22,856,277	$ -	$ -	$ 22,856,277	$ 22,856,277
Lease liabilities	3,608,920	1,805,000	3,045,000	8,458,920	7,767,120
	$ 26,465,197	$ 1,805,000	$ 3,045,000	$ 31,315,197	$ 30,623,397

16 Financial risk management and fair values (continued)

	2024 *Contractual undiscounted cash outflows*				
	Within 1 year or on demand	*More than 1 year but within 2 years*	*More than 2 years but within 5 years*	*Total*	*Carrying amount at 31 March*
Creditors and accruals	$ 10,880,264	$ -	$ -	$ 10,880,264	$ 10,880,264
Lease liabilities	3,967,593	1,114,800	110,000	5,192,393	5,046,937
	$ 14,847,857	$ 1,114,800	$ 110,000	$ 16,072,657	$ 15,927,201

(c) Fair value measurement

All financial instruments of the Foundation are carried at amounts not materially different from their fair values as at 31 March 2025 and 2024.

17 Commitments

Capital commitments outstanding at 31 March 2025 not provided for in the financial statements were as follows:

	2025	*2024*
Contracted for acquisition of property, plant and equipment	$ 45,240,500	$309,970,169

18 Material related party transactions

(a) Transactions with key management personnel

All members of key management personnel are directors of the Foundation, and their remuneration is disclosed in note 6.

(b) Transactions with other related parties

(i) The Foundation received donations of $85,000 (2024: $220,001) from certain directors of the Foundation and their related companies.

(ii) Free-of-charge rental was granted to the Foundation by a company related to a family member of a director for an operation unit during the years ended 31 March 2025 and 2024.

18 Material related party transactions (continued)

(iii) The Foundation paid rent of $1,770,000 (2024: $1,800,000) in respect of certain leasehold properties with a company related to a family member of the same director (note (ii)) for three operation units and an office.

	Amount owed by the Foundation to a company related to a family member of a director		*Related interest expense*	
	As at 31 March		*Year ended 31 March*	
	2025	*2024*	*2025*	*2024*
Lease liabilities due to a related party	$ 5,769,468	$ 1,336,461	$ 99,860	$ 64,647

19 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 March 2025

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 March 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Foundation.

	Effective for accounting periods beginning on or after
Amendments to HKAS 21, *The effects of changes in foreign exchange rate: Lack of exchangeability*	1 January 2025
Amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments*	1 January 2026
Annual improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18, *Presentation and disclosure in financial statements*	1 January 2027
HKFRS 19, *Subsidiaries without public accountability disclosures*	1 January 2027

The Foundation is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the financial statements, except for HKFRS 18, where the structure of the Company's income statement is expected to change.